

# ARIZONA RACING COMMISSION

617<sup>TH</sup> REGULAR MEETING

WEDNESDAY, DECEMBER 12, 2012

## MINUTES OF REGULAR MEETING

A public meeting of the Arizona Racing Commission was convened on Wednesday, December 12, 2012, beginning at 10:00 a.m. in the Director's Hearing Room, Suite 260, at 1110 West Washington Street, Phoenix, Arizona 85007.

<b>Present:</b>	<b>Chair</b>	<b>A. Melvin McDonald</b>
	<b>Vice-Chair</b>	<b>Burton S. Kruglick (Telephonically)</b>
	<b>Commissioner</b>	<b>Jay McClintock (Telephonically)</b>
	<b>Commissioner</b>	<b>Erin Owens</b>
	<b>Commissioner</b>	<b>Rory S. Goreé (Telephonically)</b>

Also present: William J. Walsh, Director and Joyce Cozby, Deputy Director.

### A. Call to Order

**Vice Chair Kruglick** called the 617<sup>th</sup> Regular Meeting of the Arizona Racing Commission to order at 10:02 a.m. The following matters were discussed, considered and decided at the meeting:

#### Approval of the Minutes:

1. Minutes of the 616<sup>th</sup> Regular Meeting held on Wednesday, November 14, 2012 – **Commissioner Owens** moved to approve the minutes. **Commissioner Goreé** seconded the motion. Motion Carried.

### B. New Business

#### 1. Proposed Amendments to Arizona Administrative Code R19-2-202 (Licensing Fees) and -205 (Regulatory Assessment of Pari-Mutuel Rules)

**Director Walsh** stated that as the Commission is aware from previous changes made to A.A.C. Title 19, Chapter 2, Article 2 (Racing Regulation Fund), the Department of Racing obtains its funding from the industry it regulates. The law and the rule established required the Department to regularly monitor these sources of income to assure that the funds coming in do not exceed the Department's authority to spend. This is done on a regular basis and the Department has been reviewing both License Fees and the Regulatory Wagering Assessment (RWA). Regarding Section 202 (License Fees), the Department is recommending that the license period be extended from its present one year period to a term of two years. Such a change would have multiple benefits. First, there would be a reduction in the amount licensees would be required to pay over the course of two years. Second, as part of this change, the Department will have two separate license periods. This staggered method will lessen the number of individuals required to be licensed at the beginning of a new license year thus avoiding some of the problems which occurred this past September. The change in Section 205 (Regulatory Wagering Assessment of Pari-Mutuel Rules) is necessitated by the fact that the Department is taking in dollars beyond its budgetary ability to spend. The present recommendation will reduce the amount coming from the RWA for the balance of FY 2013 to allow the Department to end the year with enough funds to carry forward to pay necessary expenses at the start of FY 2014 and to cover the cost of operating the Department for the first month of that year. **Director Walsh** noted that it will be necessary to come back to the Racing Commission next spring to alter the RWA again. By that time there should be enough history to select an RWA which would carry the Department through a full year. It is the recommendation of the Department that the rules package before the Commission be approved.

**Commissioner McClintock** moved to approve the amendments to A.A.C. R19-2-202 and reduce the RWA from 1.00% to 0.55%. **Vice Chair Kruglick** seconded the motion. Motion Carried.

**Commissioner McClintock** moved to approve the amendments to A.A.C. R19-2-205 and extend the licensing term to 2 years, staggering the licensing cycles. **Vice Chair Kruglick** seconded the motion. Motion Carried.

#### 2. Maricopa County Fair – Request to Amend 2013-2014 Race Dates at Turf Paradise

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**Director Walsh** stated that Maricopa County Fair has requested an amendment to their approved race dates at Turf Paradise Racetrack in 2013 and 2014. Some of the race dates approved fell on dark days; others had already been approved for another county. The following changes are requested: fiscal year 2013: delete January 6, 2012 and add January 4, 2013 (the new dates will be January 4, 5, 26, 27, 2013) and in fiscal year 2014 delete January 5 and 25, 2013 and add January 3 and 11, 2014 (the new dates will be January 3, 4, 11, 26, 2014). **Commissioner McClintock** moved to approve the request to delete January 6, 2013 and add January 4, 2013 with new dates of January 4, 5, 26, 27, 2013 for fiscal year 2013 and delete January 5 and 25, 2013 and add January 3 and 11, 2014 with new dates of January 3, 4, 11, 26, 2014 for fiscal year 2014. **Vice Chair Kruglick** seconded the motion. Motion Carried.

### 3. Turf Paradise Racetrack Request for Charity Dates

**Director Walsh** stated that Turf Paradise has applied for Charity Days under A.R.S. § 5-110(G). According to statute, the Commission may allow a permittee to operate up to three racing days during any one meeting as charity days. The permittee contributes an amount equal to or greater than the amount which otherwise would have done to the State as the State's share on a non-charity racing day to a non-profit organization which benefits the general public. Turf Paradise has requested the three charity days of December 15, 22 and 29, 2013. Turf Paradise Foundation meets the criteria set forth in A.R.S. § 5-110(G) and has been approved by the Department. The Department recommends that the Commission approve the dates requested. **Commissioner Owens** moved to approve the request and allow December 15, 22 and 29, 2012 to be designated as charity days. **Commissioner McClintock** seconded the motion. Motion Carried.

### C. Commission Reports:

**Director Walsh** stated that the Department is still working on the Turf Paradise renewal application. He expects to have all the documentation in by January 31, 2013, and hopefully to have the matter on the March agenda for consideration.

Gary Miller has informed the Department he is moving forward on the purchase of Yavapai Downs. The Department is working with him to get the application on the agenda.

**Future Agenda Items:** None at this time.

The next regular Commission meeting will be held **Wednesday, January 9, 2013, at 10:00 a.m.** in Building Conference Room Suite 250, at 1110 West Washington Street, Phoenix, Arizona 85007.

### Call to the Public:

No one addressed the Commission in the Call to the Public.

### Adjournment:

**Chair McDonald** called for a Motion to Adjourn. **Commissioner Owens** moved to adjourn the meeting. **Vice Chair Kruglick** seconded the motion. Motion Carried.

This public meeting adjourned at 10:18 AM.

Dated this 9<sup>th</sup> day of January, 2013

Arizona Racing Commission

By   
Cassie Goodwin, Commission Secretary